



NEWS RELEASE

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NAREIT T-TRACKER REPORTS U.S. STOCK EXCHANGE-LISTED REIT INDUSTRY DELIVERS STRONG OPERATING PERFORMANCE IN 2015 AND ITS FOURTH QUARTER

REIT Industry's 2015 Dividends Grew 9% Over 2014

Self-Storage, Manufactured Homes, Apartments Lead in Same-Store NOI Growth

WASHINGTON, DC, March 3 – The stock exchange-listed U.S. REIT industry delivered double-digit increases in operating performance, measured by Funds From Operations (FFO) and Net Operating Income (NOI), as well as dividends paid to shareholders in calendar 2015 and the year's fourth quarter compared to the same periods in 2014, according to the National Association of Real Estate Investment Trusts (NAREIT).

NAREIT's Total REIT Industry Tracker Series (T-Tracker[®]), a quarterly composite performance measure of the entire U.S. listed REIT industry, showed total 2015 FFO of Equity REITs increased 12.5 percent over 2014, while Equity REIT NOI increased 13.4 percent and dividends paid by both Equity and Mortgage REITs increased 9.1 percent.

Comparing the fourth quarter of 2015 to the same quarter of 2014, FFO increased 9.7 percent, NOI increased 13.2 percent, and dividends paid rose 5.1 percent.

"The latest NAREIT T-Tracker results indicate U.S. REITs are continuing to benefit from solid fundamentals, including continuing demand for commercial real estate space and limited supply in most market segments, providing landlords with flexibility in setting rents," said NAREIT President and CEO Steven A. Wechsler.

He also noted that the listed REIT industry's total FFO, NOI and dividends paid increased in each of the four quarters of 2015 over the same quarter in the prior year. "Despite the overall decline in listed Equity REIT share prices in recent months, the operating fundamentals of listed Equity REITs year over year have shown continued improvement, and that has translated into solid dividend growth for listed REIT shareholders," Wechsler said.

Other highlights of the NAREIT T-Tracker results for 2015 were:

- Total FFO of the U.S. listed Equity REIT industry was \$49.3 billion in 2015, up from \$43.8 billion in 2014. Total NOI of Equity REITs grew to \$78.0 billion in 2015 from \$68.8 billion in the prior year, and dividends paid by Equity and Mortgage REITs grew to \$44.9 billion in 2015 from \$41.1 billion in 2014.
- Total FFO of the U.S. listed Equity REIT industry was \$12.2 billion in the fourth quarter of 2015, up from \$11.1 billion in the same quarter of 2014. Total Equity REIT NOI was \$20.3 billion in 2015's fourth quarter, up from \$17.9 billion in 2014's fourth quarter. Dividends paid by Equity and Mortgage REITs totaled \$11.8 billion in the fourth quarter of 2015, up from \$11.3 billion in the same quarter of 2014.
- Total FFO of the U.S. listed equity REIT industry in 2015's fourth quarter declined 7.2 percent from the third quarter; total NOI of Equity REITs gained 2.0 percent quarter-over-quarter, and dividends paid by Equity and Mortgage REITs grew 6.3 percent.
- On a per-share basis, Equity REIT FFO increased 5.1 percent in calendar 2015 and 2.4 percent in the year's fourth quarter compared to the same periods in 2014. NOI per share of Equity REITs grew 5.9 percent in 2015 and 5.8 percent in its fourth quarter compared to the same periods in 2014, and dividends per share paid by Equity and Mortgage REITs increased 2.8 percent in 2015 but declined 1.0 percent in its fourth quarter compared with the same periods of 2014.
- Total Equity REIT FFO per share declined 7.8 percent in 2015's fourth quarter from the third quarter; Equity REIT NOI gained 1.4 percent quarter-over-quarter; and dividends paid by Equity and Mortgage REITs grew 6.0 percent.
- Equity REIT NOI on a same-store basis (measuring NOI generated by properties held for one year or more to factor out the effects of property acquisitions) increased 4.1 percent in 2015's fourth quarter over the fourth quarter of 2014. The top-performing property segments on a same-store basis in the fourth-quarter of 2015 vs. the fourth-quarter of 2014 were Self-Storage, up 8.9 percent;

Manufactured Homes, up 6.8 percent; Apartments, up 6.6 percent; Data Centers, up 4.0 percent; and Regional Malls, up 3.8 percent.

“NOI growth eased a bit in the second half of the year as property acquisitions slowed,” said Calvin Schnure, NAREIT’s Senior Vice President of Research & Economic Analysis. “Operating performance remained robust, though, with same-store NOI continuing to rise at a 4 percent pace.”

About the NAREIT T-Tracker

The Total REIT Industry Tracker Series provides investors with the total quarterly operating performance of the U.S. listed Equity REIT industry, as well as the total dividend performance of Equity and Mortgage REITs, and other industry metrics. The series includes the NAREIT FFO Tracker, the NAREIT NOI Tracker and the NAREIT Dividend Tracker.

The NAREIT FFO Tracker measures reported funds from operations (FFO) for REITs in the FTSE NAREIT All Equity REITs Index. FFO is a non-GAAP measure that is the most commonly accepted and reported measure of Equity REIT operating performance. It is roughly equal to a REIT's GAAP net income excluding real estate depreciation and gains or losses from sales of property. REITs generally adhere to the [NAREIT definition of FFO](#) in their SEC filings.

The NAREIT NOI Tracker measures reported net operating income (NOI) for REITs in the FTSE NAREIT All Equity REITs Index. NOI is a non-GAAP measure that equals gross operating income provided by the property (rental income as well as fees and other revenues) less property operating expenses, including utilities, management fees, insurance, and property taxes, but excluding interest and principal payments on debt, income or franchise taxes, capital expenditures and depreciation.

The NAREIT Dividend Tracker monitors reported common dividends paid by REITs in the FTSE NAREIT All Equity REITs Index and the FTSE NAREIT Mortgage REITs Index – the total amount of all dividends paid to investors in common stock of these stock exchange-listed REITs.

As of **March 1, 2016**, 146 listed Equity REITs in the FTSE NAREIT All Equity REITs Index had reported their 2015 fourth quarter earnings. These REITs accounted for 96.0 percent of total industry FFO in the third quarter of 2015. The NAREIT T-Tracker uses

estimates of FFO, NOI and dividends paid for REITs that have not reported as of **March 1, 2016**, based on growth of those measures for REITs that have reported.

[SEE CHARTS AND TABLES FOR ADDITIONAL DATA](#)

Learn more about the [NAREIT T-Tracker](#).

***Editors' Note:** NAREIT provides media resources on [REIT Basics](#), a [Glossary of REIT Terms](#), as well as other industry data and information on the value that REITs provide to investors, the economy and our communities on REIT.com. NAREIT also makes economists and other industry experts available for commentary on industry trends and research.*



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